

LNF & IHCIF Calculations Illustration **- WHITERIVER in Phoenix area -**

Given Data

- 14,945 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 18% = % Expenditures on purchased services, 82% = % expenditures in-house
- 92.7% = Cost index for purchasing health care in this geographic area
- 96.9% = Size cost index for in-house costs due to small or large size
- 100.9% = Phoenix area cost index for health status above or below average

Cost Adjustment Calculations

- \$497 per person for purchased services = $18\% * 92.7\% * \$2,980$
- \$2,368 per person for in-house services = $82\% * 96.9\% * \$2,980$
- \$2,865 per person total = \$497 (purchase) + \$2,368 (in-house)
- **\$2,892 per person total** adjusted for health status = $\$2,865 * 100.9\%$
- **\$2,147 per person net cost** = $\$2,892 - \745 Other resources (M&M&PI)

Existing Expenditures (for 14,945 users excluding wrap-around and collections)

- \$858 per person = local IHS allowance (excludes \$ for wrap-around)
- \$376 per person = expenditures elsewhere in Phoenix area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,288 per person for OU users** = $\$858 + \$376 + \$54$

LNF Calculation

- **44.5% Gross LNF** = $\$1,288$ (expenditures) / $\$2,892$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **60.0% Net LNF** = $\$1,288 / \$2,147$ net cost ($\$2,892 - \745 other)

IHCIF Allocation

- \$742 = \$ to raise LNF% from 60.0% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$26 Allocation** = $\$742$ needed for 60% * 3.488% IHCIF fraction

WHITERIVER Unmet Needs

- **\$32,080,184 Net Total Need** = 14,945 users * \$2,147 net cost
- **\$12,832,815 Net Unmet Need** = $(100\% - 60.0\% \text{ LNF}) * 14,945 \text{ users} * \$2,147 \text{ net cost}$